

# FINANCIAL footnotes

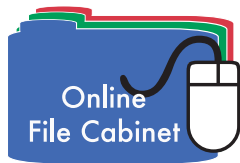
In this issue:

Online File Cabinet<sup>SM</sup>

Paving the Way to Bigger  
Retirement Savings

## Electronic Statements...

*Simple, convenient portfolio  
management at your fingertips.*



**Sign-Up Today at the  
“Account Information  
Online” Web Site!**

Turn this page to  
find out how.





# Online File Cabinet<sup>SM</sup>

## Have you signed up for this feature?



### Ready, set, view!

Online File Cabinet<sup>SM</sup> is the fast, easy, paper free way to view quarterly statements online.

Online File Cabinet<sup>SM</sup> will store up to five statements so you can access, view and print them at your convenience.\* You may also download and save statements to your hard drive, the way you would any other file from the Web.

This new feature helps you manage your SBS Annuity and Deferred Compensation Plans efficiently and at your convenience. It provides you with a quick and easy way to get updates on your portfolio activity and view all of your account positions at a glance.

### With Online File Cabinet<sup>SM</sup>...

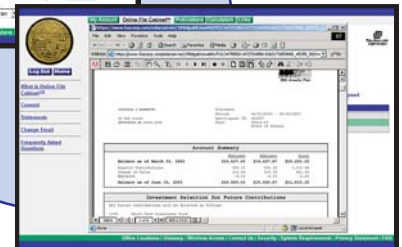
- You will be notified via email when statements are posted and ready to view on the secure Web site.
- You can view your statement at your convenience, 24/7.
- You eliminate the hassle of filing your paper statements.

Sign up today to reduce the volume of U.S. Mail you receive. No more waiting for the mail!

\* Access to the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

### It's easy — so sign up to receive your electronic statements today!

- 1) Log on to your secure Web site at [www.state.ak.us/drbc](http://www.state.ak.us/drbc). Select “SBS Annuity” or “Deferred Compensation.”
- 2) Click on the “Account Information Online” link.
- 3) Log on using your SSN and your KeyTalk® PIN.
- 4) Click the link in the Online File Cabinet<sup>SM</sup> section of your home page or select the Online File Cabinet<sup>SM</sup> menu option at the top of the page.
- 5) Review the Online File Cabinet<sup>SM</sup> Agreement, check the electronic delivery option box and provide your email address.
- 6) Click on “Submit.”



# Paving the Way to Bigger Retirement Savings

*The key to successful retirement planning is managing your debt wisely.*

When it comes to debt, what kind of shape are you in? Is your debt situation holding you back from increasing your Deferred Compensation Plan contribution? If so, you would be wise to get a handle on it. Until you do that, you're probably short-changing your retirement dreams in a big way.

One common measure for evaluating your debt situation is known as a "debt-to-income ratio." Banks use this ratio to decide whether or not to lend money or extend credit. The ratio is fairly easy to determine and it can be calculated on a monthly or annual basis.

**Here's how it works:** take your monthly debt payments (payments made to credit cards, car loans, etc.) and divide by your monthly income (before taxes). The resulting number, expressed as a percentage, is your monthly debt-to-income ratio.

**What you need:** checkbook register, copies of monthly bills, and most recent pay stub.

## Debt-to-Income Ratio – Example

You pay out...	
Debt	Monthly Payment
Mortgage	\$ 750
Car loan	\$ 300
Visa	\$ 150
Department Store	\$ 75
Total Debt:	\$ 1,275
And you take in...	
Annual gross salary	\$ 35,000
Spouse's salary	\$ 25,000
Alimony	0
Interest or dividends	0
Other	0
Total	\$ 60,000
Divided by 12	÷ 12
Total Monthly Income	\$ 5,000

Your monthly debt-to-income ratio is  $\$1,275 \div \$5,000 = .255$  or **25.5%**.

Enter your own personal monthly debt-to-income ratio here: \_\_\_\_\_%

## Evaluating Your Debt-to-Income Ratio

**15% or less.** You are in excellent financial shape if you have a mortgage. You are in fair shape if you don't have a mortgage.

**16% to 20%.** Some financial advisors consider 20% to be at the top of a "healthy" range for your debt-to-income ratio (if you have a mortgage). You should try to reduce your non-housing debt to no more than 10% and ultimately to 0%.

**21% to 35%.** Most Americans are in this range. You may be finding that the majority of your income is going to pay off your debt. At this level, your main goal should be to reduce debt (even before investing any savings you may have).

**36% to 50%.** This is excessive. You most likely are sacrificing all your short and long-term financial goals by carrying this much debt. You need to begin making smarter spending choices and perhaps stop carrying your credit cards with you. You are likely to not be approved for additional loans, and may likely have trouble getting a mortgage loan.

**51% or more.** You should seek the assistance of a credit counselor.

## Resources for Help in Managing Debt

- National Center for Financial Education ([www.ncfe.org](http://www.ncfe.org))
- American Savings and Education Council ([www.asec.org](http://www.asec.org))
- Debt Counselors of America ([www.dca.org](http://www.dca.org))
- Quicken Personal Finance Software ([www.quicken.com](http://www.quicken.com))
- Order a budgeting kit and review additional budgeting resources ([www.moneytracker.com](http://www.moneytracker.com))

# Sign-Up Now.

Online File Cabinet<sup>SM</sup> *is available at the  
“Account Information Online” Web Site.*



## Sign-Up Today!

For account or investment-related issues, contact:

[www.state.ak.us/drb](http://www.state.ak.us/drb)

**KeyTalk®: (800) 701-8255**

(TDD: 1-800-766-4952) (G3759) 1/15/2004

### Great-West Retirement Services<sup>SM</sup>

**Please Note:** This newsletter does not constitute investment or financial planning advice.

**We'd like to hear from you.**  
Please send your questions to:

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For more information about available investment options in your Plan, including fees and expenses, refer to the Investment Option Detail sheets.